

MCI WorldCom v. Illinois Bell
Docket No. 01-0412
Exhibit 2.0
Attachment "AG-F"



EX PARTE OR LATE FILED

1401 H Street, N.W.
Suite 1020
Washington, D.C. 20005
Office 202/326-3817

DOCKET FILE COPY ORIGINAL

Gary L. Phillips
Director of Legal Affairs
Washington Office

May 13, 1998

RECEIVED

MAY 13 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

MCI WorldCom v. Illinois Bell
Docket No. 01-0412
Exhibit 2.0
Attachment "AG-F"

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Re: **Ex Parte Statement**
CC Docket 94-129

Dear Ms. Salas:

In its Comments and Reply Comments in this proceeding, Ameritech urged the Commission to give carriers the option of verifying preferred carrier (PC) changes on inbound calls by referring customers to a voice response unit (VRU), which would prompt the caller for the information necessary to complete the verification. Ameritech noted that current rules permit the use of VRUs, but only if: (i) operated by a third party (in which case they qualify as a third party verification); or (ii) the call to the VRU originates on the line for which the PC change is requested. Ameritech pointed out that there is no reason for these limitations on the use of VRUs. It noted that allowing a carrier to operate its own VRU no more compromises the verification process than does allowing carriers to procure written letters of agency (LOAs) - the only difference being that, in one case, verification is audiotaped, while, in the other, it is provided in writing.

Indeed, recorded oral authorization could be a more reliable verification method than an LOA, since it precludes the possibility of forgery. Moreover, carriers using VRUs could be required to maintain the recording of the customer's alleged authorization long enough so that, if the customer disputed the change, the carrier could play the recording with the customer on the line. This would help avoid what the interexchange carrier industry claims are large numbers of invalid slamming complaints - complaints that are prompted, for example, when one member of a household authorizes a PC change without the other's knowledge, or when a consumer forgets that he/she authorized a change. These recordings could also ensure that the transaction was described accurately and in non-misleading fashion to the consumer.

17 MAY 1998
FILE

022



Ms. Magalie Roman Salas
May 13, 1998
Page Two

Ameritech now suggests a slight variation on this proposal. Specifically, Ameritech urges the Commission to permit carriers, at their option, to verify PC changes on inbound calls by recording (without necessarily using a VRU): (i) a summary of the transaction provided by the sales representative at the conclusion of the sales call; and (ii) the customer's verification of the summary. As with a VRU verification, the recording could be retained and accessed with the customer on the line in the event of a slamming complaint. It could also serve as evidence in any regulatory proceedings, if necessary and appropriate. These are advantages not available from other forms of verification.

This audiotaping methodology would also save time and money. It currently takes, on average, almost three minutes to explain the third party verification process to a customer that has requested a PC change and then obtain the required verification. Simply summarizing the transaction and asking the customer to verify that summary would take far less time. It would also save carriers millions of dollars in annual fees that currently must be paid to third party verifiers.

In addition to the benefits of reliability and cost-effectiveness, Ameritech's proposal also would offer two additional benefits. First, it could be readily used for vertical service sales, not just PC changes, and it could thereby be a valuable weapon in combating "cramming." For example, if the Commission concludes that voluntary industry efforts to combat cramming are not adequate, it could require carriers to record all sales transactions, not just PC changes. Any such requirement could be readily implemented since the necessary procedures and infrastructure would be in place and would merely need to be extended to vertical service sales. In contrast, a VRU would not be well-suited to such an expanded verification requirement because the many variations on the types of service orders that could be placed could not be captured in a simple recording.

Second, the modified version of Ameritech's proposal would bring consistency to the Commission's verification requirements. In the Commission's recent CPNI Order, the Commission held that a carrier should be able to meet its burden of demonstrating oral approval to use CPNI by audiotaping customer conversations.¹ The Commission's recognition in that order of the inherent reliability of audiotaping as a verification tool is no less applicable in the context of PC changes. Moreover, uniform verification

¹ *Implementation of the Telecommunications Act of 1996, Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information*, CC Docket No. 96-115, FCC 98-27, Second Report and Order and Further Notice of Proposed Rulemaking, released Feb. 26, 1998, at para. 121.

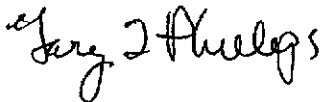
Ms. Magalie Roman Salas
May 13, 1998
Page Three

procedures for different types of verifications would promote the goals of efficiency and simplicity, both for carriers and customers.

Because of these significant benefits, the Commission should make this option on all PC or other service changes for which verification is required. At a minimum, though, it should be a verification option for PC changes requested on inbound calls, since the need for any verification process on such calls is (and has been for some time) the subject of considerable disagreement and controversy.

Ameritech appreciates that this variation on its initial proposal comes late in this proceeding. Nevertheless, the merits of this option are readily apparent. Ameritech, accordingly, strongly urges the Commission to adopt this proposal.

Sincerely,



Gary L. Phillips
Director - Legal Affairs

cc: Tom Power
James Casserly
Paul Gallant
Kevin Martin
Kyle Dixon
Larry Strickling

Richard Metzger
Glenn Reynolds
Dorothy Atwood
Robert Spangler
Anita Cheng